

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2013

S

1

SENATE BILL 498

Short Title: Modify Religious Employer Exception. (Public)

Sponsors: Senator Daniel (Primary Sponsor).

Referred to: Insurance.

March 28, 2013

1 A BILL TO BE ENTITLED  
2 AN ACT TO MODIFY RELIGIOUS EMPLOYER EXCEPTION.  
3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** G.S. 58-3-178(e) reads as rewritten:

5 "(e) A religious employer may request an insurer providing a health benefit plan to  
6 provide to the religious employer a health benefit plan that excludes coverage for prescription  
7 contraceptive drugs or devices that are contrary to the employer's religious tenets. Upon  
8 request, the insurer shall provide the requested health benefit plan. An insurer providing a  
9 health benefit plan requested by a religious employer pursuant to this section shall provide  
10 written notice to each person covered under the health benefit plan that prescription  
11 contraceptive drugs or devices are excluded from coverage pursuant to this section at the  
12 request of the employer. The notice shall appear, in not less than 10-point type, in the health  
13 benefit plan, application, and sales brochure for the health benefit plan. Nothing in this  
14 subsection authorizes a health benefit plan to exclude coverage for prescription drugs ordered  
15 by a health care provider with prescriptive authority for reasons other than contraceptive  
16 purposes, or for prescription contraception that is necessary to preserve the life or health of a  
17 person covered under the plan. As used in this subsection, the term "religious employer" means  
18 ~~an entity for which all of the following are true:~~ any of the following employing entities:

- 19 (1) ~~The entity is organized and operated for religious purposes and is tax exempt~~  
20 ~~under section 501(c)(3) of the U.S. Internal Revenue Code.~~ An entity that is  
21 operated pursuant to moral, ethical, or religious tenets that are contrary to the  
22 use or provision of contraceptive drugs or devices.  
23 (2) ~~The inculcation of religious values is one of the primary purposes of the~~  
24 ~~entity.~~ An entity for which individuals holding a majority ownership interest  
25 have a sincerely held religious or moral objection to the use or provision of  
26 contraceptive drugs or devices, or a wholly owned subsidiary of such an  
27 entity.  
28 (3) ~~The entity employs primarily persons who share the religious tenets of the~~  
29 ~~entity.~~ A sole proprietorship for which the sole proprietor has a sincerely held  
30 religious or moral objection to the use or provision of contraceptive drugs or  
31 devices."

32 **SECTION 2.** This act is effective when it becomes law and applies to plans then in  
33 effect to the extent allowable by either the United States or North Carolina Constitution.

